

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
MEETING OF THE INVESTMENT COMMITTEE
FEBRUARY 14, 2019

Minutes of Meeting:

After giving proper notice of a special meeting and a quorum being present, Chair Ron Sanders called the TRS Investment Committee to order at 9 a.m., Thursday, February 14, 2019, in the boardroom of the Teachers' Retirement System office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Ron Sanders, Chair
Hollis Gritton, Vice Chair
John Boardman
Brenda McGown
Lynn Patterson
Josh Underwood
Alison Wright
Bevis Longstreth (non-voting)
George Philip (non-voting)

Others present:

Gary L. Harbin, Teachers' Retirement System
Robert Barnes, Teachers' Retirement System
Eric Wampler, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
Tom Siderewicz, Teachers' Retirement System
Karen Ashby, Teachers' Retirement System
John Browning, Teachers' Retirement System
Norman Combest, Teachers' Retirement System
Lindsey Davis, Teachers' Retirement System
Kenny Domilise, Teachers' Retirement System
Mike Nohalty, Teachers' Retirement System
Brad Cook, Teachers' Retirement System
Felicia Penn, Teachers' Retirement System
P. J. Kelly, Aon Hewitt
Tom Wyss, Aon Hewitt (via telephone)
Noah Friend, Office of the State Treasurer
Bo Cracraft, Legislative Research Commission
David Bertocchi, Barings Asset Management
John Hipsher, Barings Asset Management
Curt Scott, Todd Asset Management
Jack White, Todd Asset Management
Shaun Siers, Todd Asset Management

1. Consideration/Approval of Minutes: The Investment Committee considered the minutes of the previous meeting held on November 27, 2018.

Committee Action: Upon motion duly made by Dr. Patterson and seconded by Mr. Boardman, the minutes of meeting held on November 27, 2018, were approved unanimously.

2. Reports by TRS Staff

2.1. CIO Observations and Comments: Mr. Siderewicz reported to the committee the information on the Quarterly Investment Update for the quarter ended December 31, 2018. Mr. Siderewicz's report was informational, and the committee took no action.

2.2. Quarterly Report on Securities Litigation: Mr. Wampler presented the Securities Litigation Report detailing information on securities litigation activities during the quarter ended December 31, 2018. Mr. Wampler's report was informational, and the committee took no action.

2.3. Report on Alternative Investments: Ms. Ashby reported to the committee on the TRS private equity portfolio for the quarter ended December 31, 2018. Ms. Ashby's report was informational, and the committee took no action.

2.4. Real Estate Manager Discussion: Mr. Nohalty reported to the committee on the Rockwood Capital Real Estate Partners Fund XI LP.

Committee Action: Upon motion duly made by Mr. Boardman and seconded by Dr. Patterson, the committee unanimously approved staff's recommendation of an \$85 million commitment from the pension fund, a \$15 million commitment from the TRS medical trust and a \$1 million commitment from the life insurance fund to the Rockwood Capital Real Estate Partners Fund XI LP, subject to completion of all due diligence and legal review.

2.5. Private Equity and Real Estate Presentation: Mr. Kelly and Mr. Wyss reported to the committee on the private equity and real estate portfolio review. The report was informational, and the committee took no action.

2.6. Trading Commissions Discussion: Mr. Nohalty and Mr. Combest reported to the committee on equity commissions and bond trading costs. The report was informational, and the committee took no action.

2.7. Report on Internally Managed Portfolios: Mr. Siderewicz reported to the committee on the TRS internally managed portfolios for the quarter ended December 31, 2018. The report was informational, and the committee took no action.

The committee recessed for lunch at 12:14 p.m. and resumed its meeting at 12:56 p.m.

3. Quarterly Reports by Managers

3.1. Barings Asset Management: Representatives from Barings Asset Management presented a report on the TRS funds managed by the firm. The report was informational, and the committee took no action.

3.2. Todd Asset Management: Representatives from Todd Asset Management presented a report on the TRS funds managed by the firm. The report was informational, and the committee took no action.

Adjournment: There being no further business to come before the committee and upon motion duly made by Ms. McGown and seconded by Mr. Gritton, the committee adjourned at 1:58 p.m.

CERTIFICATIONS

We, the chair of the Investment Committee and the executive secretary of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, do certify that the minutes of meeting were approved by the Investment Committee on May 23, 2019.

Ronald Sanders, Chair

Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content and legality.

Robert B. Barnes, Deputy Executive Secretary
and General Counsel

I, Felicia Penn, do certify that I was present at the meeting and duly recorded the actions of the Investment Committee of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on February 14, 2019.

Felicia Penn, Recording Secretary